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USSR-Czechoslovakia: (Information as of 2300 EDT)

The situation in Prague, where martial law was declared last night, was generally quiet as attention focused on the negotiations in Moscow.

There were, however, unconfirmed press reports of fighting last night in the vicinity of the American Embassy and rumors spread that recently arrived Soviet security police, aided by collaborating Czechoslovaks, were planning massive roundups and arrests before dawn.

As the talks in Moscow between the Soviet leaders and the Czechoslovak delegation led by President Svoboda move into their second day there are a few signs that Moscow, anxious to see a new "legitimate" regime installed in Prague, is willing to offer some concessions. TASS reportedly described yesterday's discussions as having taken place in a "frank and comradely atmosphere," suggesting that although serious differences remain to be worked out, the Soviet approach is one of negotiation rather than dictation.

The Soviets still appear intent upon working through Svoboda to obtain a government acceptable to the Kremlin. Although the Soviets' list of "revisionist traitors" to the cause of socialism has grown to the point where it now includes party boss Dubcek as well as several of the leading Czechoslovak liberals, Moscow has consistently refrained from attacking Svoboda. Since his arrival in Moscow, Svoboda has not only been accorded red carpet treatment—a guard of honor, an artillery salute, and a slow ride to the Kremlin with Soviet leaders Brezhnev, Kosygin and Podgorny in an open limousine along streets lined with cheering crowds—but has also been described by Soviet commentators as "an outstanding statesman and military leader." The attention to Svoboda stands in sharp contrast to that

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Caccorded the six other members of the delegation, which includes both liberals and conservatives, who are merely listed as accompanying Prague's chief of state.

There has been no substantial change in the military situation in Czechoslovakia in the past 24 hours. The US military attaché in Prague reported on 22 August that there are 30,000 occupation troops and 600 tanks in the capital. He reported that the city is occupied by one Soviet tank division, one Soviet motorized rifle division, and one slightly understrength Soviet airborne division. Several Polish and Bulgarian units of battalion size are also in the city. Hradec Kralove 60 miles east of Prague, is reportedly occupied by elements of a Polish tank division and a Polish mechanized division. The attaché said that estimates of 150,000 occupation troops are "not unrealistic."

According to clandestine Czechoslovak broad-casts, the extraordinary 14th Congress of the Czechoslovak Communist Party, convened on the evening of 22 August, adjourned yesterday in protest against the occupation. The radio said that the congress will remain adjourned until those leaders currently being held by the occupying forces had been released and allowed to resume their political activities. The congress reportedly elected a new temporary slate of leaders headed by Zdenek Silhan, an economist and a leading exponent of economic reform who hitherto has held no major post in the party. Silhan will serve as acting first secretary pending Dubcek's return.

Meanwhile, reports from Bratislava indicate that, despite demands for its immediate convocation, the Congress of the Slovak Party will open, as scheduled, on 26 August. The congress presumably will meet without its leadership inasmuch as Soviet authorities in Bratislava last night reportedly arrested the entire presidium of the Slovak Party.

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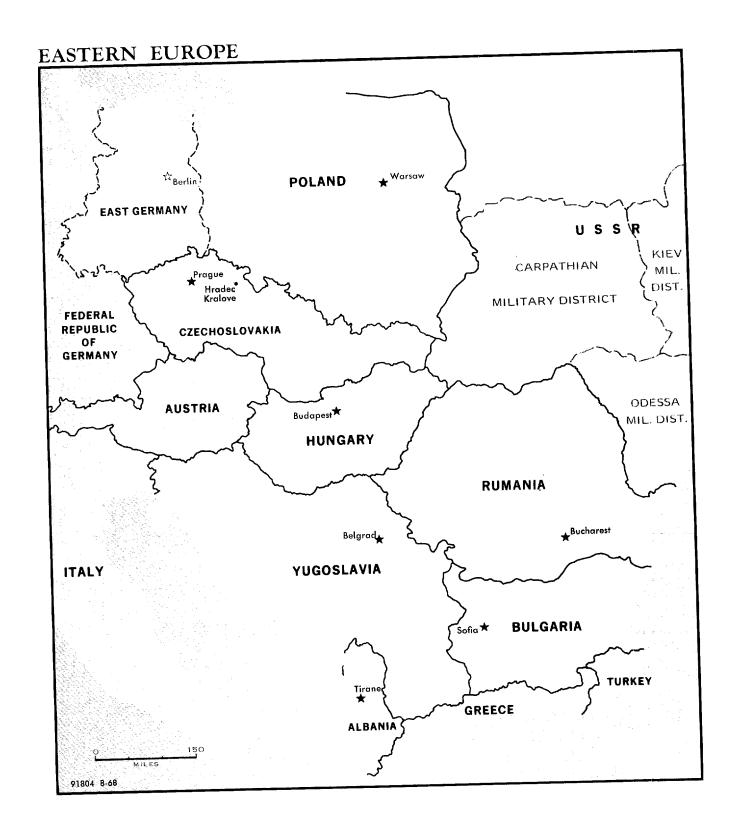
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Izvestia yesterday reportedly gave the Soviet people their first hint that the majority of the Czechoslovak people oppose the invasion by the Warsaw Pact forces. Its Prague correspondent is said to have reported that most of the Czechoslovaks with whom he had talked were opposed to the occupation. Meanwhile, other Soviet media continue to portray the Czechoslovaks as recognizing that the intervention was timely and necessary. When any sort of resistance by the Czechoslovaks is mentioned by the Soviet media it is portrayed as the action of an insignificant minority, one willingly or unwillingly collaborating with the "imperialists." Thus far, the Soviet media have not referred, in any manner, to the highly successful general strike conducted (Map on at noon_yesterday in Prague. page 4)

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Rumania: The Rumanian regime is clearly concerned over the possibility of a Soviet invasion.

In several public meetings since 21 August, Rumanian leaders whipped up crowds into displays of great enthusiam and unity. The Rumanian parliament on 22 August unanimously re-endorsed regime leader Ceausescu's emphasis on national sovereignty and unanimity among the leadership. This show of unity is probably designed to preclude, in the event of intervention, any Soviet claims that dissident Rumanian leaders had called in Soviet troops.

There is no hard evidence, however, of any Soviet military activity which would be a prelude to intervention. US diplomats and attachés in Budapest and Sofia have reported no signs of Soviet, Hungarian, or Bulgarian troop concentrations. The embassy in Budapest, furthermore, reported that the Hungarian-Rumanian border remained open through 23 August. Rumors of possible Soviet intervention, floated by Rumanian diplomats in several Western capitals, are probably intended to elicit information and to arouse sympathy for Rumania which might deter such Soviet action.

There are sufficient uncommitted air and ground forces available, however, should the Soviets and their pact allies decide to move into Rumania. There are at least six Soviet divisions in the Odessa Military District adjacent to Rumania and at least eight divisions in the Kiev

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Military District farther north. There are also several divisions in the Carpathian Military District which were not moved into Czechoslovakia and which would presumably be available. Although most of these divisions have been understrength, they may have been filled out during the recent "rear services" exercise which took place in the western USSR, Poland, and East Germany.

In Hungary, in addition to four Hungarian divisions, there are four Soviet divisions. Bulgaria has 12 divisions, most of which are oriented toward Greece. Hungarian and Bulgarian participation in the occupation of Czechoslovakia was probably limited to token forces.

There are contradictory signs of Soviet intentions toward Rumania.

On the other hand, Soviet propaganda media have not been conducting an anti-Rumanian campaign which might be expected if military intervention were imminent. In their preoccupation with Czechoslovakia, Soviet media have virtually ignored Rumania.

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Venezuela: The Soviet intervention in Czechoslovakia is causing Venezuela to reconsider plans for expanding its diplomatic relations in Eastern Europe.

Foreign Minister Iribarren Borges stated on 21 August that Venezuela will have to take another look at its recent moves to re-establish relations with the Soviet Union. He said that a decision last May to renew diplomatic relations with Prague will also be reviewed.

The Soviet move came when Venezuelan Government officials including President Leoni were increasingly receptive to closer ties with Eastern Europe, which they believed would bring economic and political benefits. Such links they anticipated would not only open new markets for Venezuelan products but would also demonstrate Venezuelan independence of the United States prior to the presidential election on 1 December. A mixed government and business delegation headed by Deputy Foreign Minister Nass visited seven Eastern European countries, including the Soviet Union, in June to explore trade possibilities.

There was even some hope among Venezuelan officials that bloc diplomatic representation in Caracas would result in additional pressures on Castro to end support to guerrilla bands now active in eastern and western Venezuela.

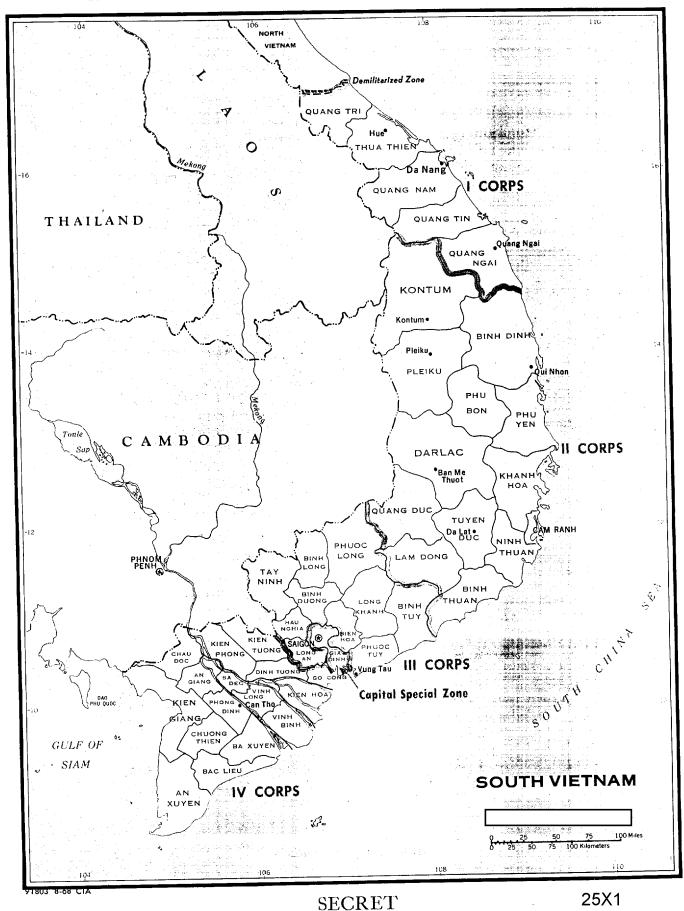
In sharp reaction to the Soviet move against Czechoslovakia, a presidential press aide told US Embassy officials that the government contemplated applying the Betancourt doctrine to Czechoslovakia. The doctrine, which bars recognition of nonconstitutional regimes, was enunciated by former president Betancourt in 1958 to discourage military coups and has never been applied outside the Western Hemisphere.

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South Vietnam: The focus of stepped-up Communist military activity in South Vietnam shifted to the northern half of the country on 23 August.

Communist forces hit some 66 urban areas and allied installations with predawn mortar and rocket attacks. Sharp ground fighting erupted at several points, especially in and around Da Nang, where Communist sapper units penetrated the city. A regimental-sized force of North Vietnamese regulars had a Special Forces camp under ground attack in Quang Duc Province.

Action in III and IV corps was relatively light, but continuing small-unit engagements close to towns and allied installations suggest that further Communist offensive activity can be expected.

These attacks generally followed the pattern of hit-and-run actions used by the Communists since the current outbreak of heavy fighting began in northwestern III Corps last weekend. Communist casualties have been relatively light, and so far the enemy has not attempted to sustain contact in most areas.

such tactics would precede heavier fighting against more important targets. The enemy seems to be trying to "soften up" selected areas while screening movements to attack positions against other prime targets. Most recent prisoners professing knowledge of future attack plans claim that the most important targets have not yet been struck.

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Vietnamese Communist propaganda on the current fighting in South Vietnam is building a head of steam, but its claims remain less extravagant than in the opening stages of earlier offensives. The

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fighting at Tet was immediately accompanied by propaganda hailing the "general offensive" while the round of attacks in May was called a "new phase." Such claims have not yet been made for the current fighting, although the Communists seem headed in that direction.

Some of the propaganda commentary seems to say that this time the Communists are trying to avoid the mistakes and excesses of earlier offensives by a more careful employment of their military resources.

[Map]

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Nationalist China: President Chiang Kai-shek has given effective control of the ruling Nationalist Party machinery to his son, Defense Minister Chiang Ching-kuo, thus taking a major step to ensure his eventual smooth succession to power.

The President's appointment last week of a close associate of the younger Chiang as secretary general of the Kuomintang opens the way for the latter, who is also a member of the central standing committee, to influence directly all party decisions. Although President Chiang will remain as director general of the Kuomintang, this development indicates he plans to delegate party power to his son.

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The President has been grooming his son in recent years to succeed to power by giving him increasingly important policy posts. This culminated in 1966 in his appointment as minister of defense, in which position he is pre-eminent in defense, intelligence, and security affairs. The change in party leadership will permit Chiang Ching-kuo to consolidate his strength within the party, where previously he has not played a commanding role.

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Algeria: Frictions within the ruling clique have apparently reached an impasse which could last for many months. Premier Boumediene continues to seek consensus while the members of his inner circle quarrel bitterly over such issues as whether the party or an apolitical civil service should dominate the bureaucracy and whether France should continue to have a pre-eminent role in the economy. Splits within the top leadership seem likely to deepen existing instability and encourage opposition elements already plotting to topple the Boumediene regime.

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Bolivia: Students in La Paz have announced that demonstrations will continue until President Barrientos meets their demands, which cover political as well as university problems. Disorders throughout the country, apparently unrelated to the abortive coup attempted this week by General Vasquez, frequently have been targeted against US establishments and have resulted in several student deaths. Expressions of support for the students from several labor groups could portend more serious trouble for the Barrientos government.

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